

AQO

MEMORANDUM FOR RECORD

SUBJECT: AQO Staff Meeting Minutes, Sep 16, 97

TERMINATION OF CABLE TV FRANCHISE AGREEMENTS. The Navy and Army asked DCMC to settle terminations of TV franchise agreements at 13 bases affected by BRAC. The franchiser, Americable International, Inc. has claimed about \$30 million in damages. Cable franchisers were originally denied relief by the Services (agreements provide for no compensation in the event of base closure). However, the U.S. Court of Federal Claims said law and equity in fact compel that the franchisers should be compensated for their investment. Subsequently, the FY97 Defense Authorization Act directs DoD to issue terminations for convenience and to negotiate per the Federal Acquisition Regulations (i.e., convert the agreements to contracts). There are numerous legal and financial implications that need to be addressed in handling these terminations. AQOE is arranging a meeting among all involved government parties to hash out strategies and approaches. Kevin Koch (AQOE)/George Sisson or Col. Frank Esposito (GC)

FEDERAL ACQUISITION REGULATORY (FAR) CASE 97-027, MANDATORY GOVERNMENT SOURCE INSPECTION. The Defense Acquisition Regulation (DAR) Quality Assurance (QA) Committee was tasked on August 21, 1997, to review, consider, and report to the DAR Council on case 97-027. This is a new case, initiated at the request of DLA (DCMC), to change the requirement for agencies to perform contract quality assurance, including inspection, at source. The specific change relates to higher level quality requirements and overseas shipment at FAR 46.402(e) and (g). The intent of the change is to eliminate unnecessary mandatory source inspection and adopting a discretionary decision process based on acquisition circumstances. The proposed improvements stem from initiatives under Management Reform Memorandum 10 and recognize that commercial source-inspection business practices are effective and less costly than those traditionally used by the Government contracting offices. Maurice Poulin (AQOG)

ALERTS. A peer review of the Alerts Phase II, System Subsystem Specification (SSS) was successfully completed last week. Alerts is the primary system by which DCMC customers are notified of actual or anticipated delays. The system also allows customers to request specific contract surveillance tasks/services. Key enhancements included in Phase II of the system is connectivity with the Shared Data Warehouse (SDW) and a streamlined processing approach. Mark Melnyk (AQOG)

JOB AID PACKAGE. Product and Manufacturing Assurance policies are evolving to a more structured, risk-based approach. AQOG is developing a job-aid package. It is a self-help package with practical guidance that can be used by individuals or in team situations, focusing on process risk-assessment and surveillance planning, and includes "how to" examples that illustrate different

ways to implement the policy. A pilot presentation is scheduled for Sep 24. After final edits, it will appear on the DCMC Home Page for easy access by DCMC personnel. Dick Kane (AQOG)

DOD LOGISTICS LIFE CYCLE COST REDUCTION AWARD. Committee choosing the winners for the Army, Navy, Air Force, Agency, and industry, met yesterday. The award is being given by Assistant Under Secretary of Defense for Corporate Logistics Integration. This is the second annual award. In addition to the above five awardees, there is an overall award. The winner for the Agency award, and the overall winner, was from Defense Logistics Agency, Defense Supply Center Richmond, for the Hand Emplaced Minefield Marking System. The awards will be presented by Dr. Hamre on October 2, 0830-1030. Mike Ferraro (AQOF)

CONTRACT QUALITY SYSTEM REQUIREMENTS. AQO recently provided guidance to DCMC field personnel on how to react when contracts cite inappropriate contract quality system requirements. Problems are occurring more frequently, as DoD buying offices struggle with the transition from the traditional military contract quality standards (e.g., MIL-Q-9858, MIL-I-45208) to commercial quality standards (e.g., ISO 9001, ISO 9002). DCMC INFORMATION memorandum 97-043 dated September 2, 1997, outlines recommended DCMC reactions in seven different situations the DCMC Districts reported as problematic. It also asks that lessons learned and any recurring problems that cannot be resolved be reported to HQ. Dick Kane (AQOG)

AMERICAN DEFENSE PREPAREDNESS ASSOCIATION MEETING, SEPTEMBER 2-5, 1997. The American Defense Preparedness Association technical concepts committee met in Chicago to work on the initial draft of a handbook to explain the newly published MIL-STD-1916, DoD Preferred Methods for Acceptance of Product. After reviewing the latest changes in the Handbook, each committee member was given a final set of tasks to expedite completion. DCMC tasks were to rewrite the Foreword placing greater emphasis on Statistical Process Controls as well as writing definitions for Stratification and Force Field Analysis. Finalized draft will be sent to each committee member by October 31, 1997. A meeting to discuss comments to the final draft was scheduled for sometime in January. Richard Zerilli (AQOG)

APPROVED:

ROBERT W. SCHMITT
Deputy Executive Director
Contract Management Policy